North Dakota Public Employees
Retirement System

Legacy Application System Replacement (LASR)
RFP Development Project Plan

July 7, 2006

Project Name	Legacy Application System Replacement
Agency	North Dakota Public Employees' Retirement System
Business Unit or Program Area	All program areas
Project Sponsor	Sparb Collins, Executive Director
Project Manager	Deb Knudsen, Program Development and Research Manager
Project Coordinator	Cheryl Stockert, Manager, Administrative Services

Revision History			
Date	**Author**	**Change**	**Reviewed &/or Approved By**
7/5/2006	Deb Knudsen	Incorporated Dirks changes	
7/7/2006	A. Flewelling	Final changes from Deb, removed "draft," changed title page date to 7/7, sent to Deb 7/7 as final.	Approved by Deb after Andy sent final changes 7/11/2006

Table of Contents

1 EXECUTIVE SUMMARY

The following subsections present high-level information regarding the Legacy Applications Systems Replacement project.

1.1 Purpose of this document

The purpose of this project plan is to document the initial planning for the Legacy Application System Replacement (LASR) project, procurement phase (including RFP development), being undertaken by the North Dakota Public Employees' Retirement System (NDPERS).

1.2 Project Background

The North Dakota Public Employees Retirement System Board met in late 2005 and determined that a study needed to be conducted to determine if NDPERS should consider replacing the legacy business application systems. This decision gave rise to the LASR project. A deliverable of the LASR project was a Feasibility Study. The purpose of this study was to review the current operating environment of PERS, identify its business issues and challenges, determine needed system enhancements to meet those challenges and identify the options to meet those challenges along with a recommendation. Current issues and challenges of the legacy system include:

- The systems for many of the programs and functions that NDPERS administer are not integrated. This forces NDPERS staff to enter data multiple times and gives opportunity for data to be out of sync, missing and inaccurate and makes internal control difficult.
- The legacy systems are now between 8 and 33 years old. After going through many changes and enhancements over the years, the systems have become very complex and difficult to maintain or enhance.
- The State of North Dakota has also experienced difficulty in recruiting, training and retaining technical staff capable of maintaining the system – i.e. COBOL, Natural, Adabas.
- New programs and benefit options implemented by NDPERS have led to several stand alone systems being implemented to solve the immediate processing needs.
- The fragile nature of the application evidences itself when maintenance is performed on the system. Even seemingly simple changes often cause unanticipated problems in other areas of the application.

These and other challenges are documented in the Legacy Application System Review (LASR) Feasibility Study submitted June 27, 2006.

All these shortcomings have brought NDPERS to an understanding that replacement of the legacy system with a comprehensive, all inclusive record keeping system that accommodates all the various benefit plans they administer would be the best course for the agency. The NDPERS Board of Trustees reviewed the Feasibility Study and has authorized expenditures for efforts to develop an RFP and the procurement of a replacement system.

1.3 Project Purpose

The purpose of this project is to develop and publish a Request for Proposal for replacement of the legacy application systems currently used by PERS to administer its various benefit plans, to evaluate proposals submitted by vendors and to select the proposed solution that best addresses the need identified in the RFP.

1.4 Project LASR Mission Statement

Procure or develop an integrated computer system that will fill the business needs of all departments and staff of NDPERS, as well as the needs of all customers of NDPERS, establishing operations consistent with the Agency Drivers, Philosophies and Objectives of NDPERS.

1.5 Critical Success Factors

The following Critical Success Factors were identified as relating to the current operating environment during the period of transition – when a new system would be studied, justified, designed and implemented:

- Allow no retreat from the current level of operational member services
- Continue to provide timely reporting of member contribution data
- Continue to provide timely, accurate data to actuaries
- Continue to provide timely, accurate data to external auditors, state auditors and the Office of Management & Budget
- Define business and project requirements that, when the system is implemented, will fill the business needs of all departments and staff of NDPERS, as well as the needs of all customers of NDPERS, establishing operations consistent with the Agency Drivers, Philosophies and Objectives or NDPERS
- Recommend a vendor that will offer the best value to the State of North Dakota and NDPERS
- Present the results of the RFP evaluation and the resulting recommendation to the NDPERS Board in a manner that allows the Board to easily understand the recommendation and make a decision that will serve the best interests of the members and retirees of NDPERS
- Negotiate a contract that is in the best interests of the State of North Dakota and NDPERS

2 PROJECT ASSUMPTIONS AND CONSTRAINTS

The following sections outline assumptions made for the project and identify constraints that apply to the project.

2.1 Assumptions

The assumptions listed below will be used as the basis for project planning:

- NDPERS will continue to provide current level of services to members during implementation.
- The NDPERS Board will support the decision to procure a replacement system.
- The NDPERS Sponsor will allocate the necessary resources (budget and personnel) in order to make the RFP development and procurement phase a success.
- NDPERS management and staff will be available and engaged and will provide the appropriate and accurate information necessary to develop a thorough RFP.
- ITD will provide staff knowledgeable in areas of the RFP where their contribution is required (e.g., data structures, existing programs, project management requirements, infrastructure, administrative requirements, etc.).
- NDPERS and the selected vendor will negotiate in good faith to develop a contract that successfully meets the needs and serves the best interests of NDPERS and the State of North Dakota.
- NDPERS will receive Board approval and legislative spending authority so contract can be finalized.

2.2 Constraints

Successful completion of this phase is constrained by schedule and resources. Specifically, the project is constrained by:

- **Schedule** – The completion date of this phase is June 1, 2007.

- **Project Resources** – Participation by NDPERS staff and management in the RFP development process is constrained by the need to complete their daily responsibilities and by their familiarity with the RFP development process. Currently, staff is working at capacity. Their ability to participate in data gathering sessions, to collect and provide pertinent information and review and comment on document deliverables, all part of the RFP development process, will all materially impact the timely delivery of an RFP that reflects all NDPERS' requirements.

- **Affordability** – NDPERS has limited funding for this project and will need to amortize the amount over a period of time.

3 PROJECT APPROACH

During this project, LRWL will work with NDPERS staff to define a realistic scope for the proposed line of business solution. NDPERS staff (working with LRWL) will also define specific business requirements for all business areas included within the scope of the proposed solution. These detailed requirements will be incorporated into an RFP and advertised in a manner consistent with North Dakota procurement regulations.

When the vendor responses are received, LRWL will perform a preliminary review of all responses and suggest which of the responses should be reviewed in greater detail by NDPERS staff and LRWL. LRWL will then assist NDPERS staff in the processes of reviewing and evaluating these responses. LRWL will also guide NDPERS staff in reference checks, site visits, oral presentation and best and final offers from the selected finalists. After a vendor is selected by NDPERS, LRWL will assist NDPERS in contract negotiations with the selected vendor.

LRWL will also prepare estimated implementation timeframes and NDPERS staffing requirements for the implementation phase of the project and assist in presenting the project results to the NDPERS Board of Directors.

All of these activities will be performed in accordance with the LRWL methodology described in the LRWL Technical Proposal to Provide Professional Services for Business Applications System Replacement Project**, LRWL Pension Solution Procurement Methodology RFP$^{\text{ENSION}}$ Tools**, and provided in Appendix H.

3.1 List of Related Documents

The following two (2) documents complement this project plan:

- Legacy Application System Replacement (LASR) Feasibility Study
- Legacy Application System Replacement (LASR) Project Charter.

3.2 Project Scope Statement

The scope of this project includes the following activities relative to the range of legacy application systems currently used to administer PERS' benefit plans:

1. Develop business and operating requirements to be included in the RFP
2. Develop a procurement strategy
3. Create draft RFP
4. Finalize and release RFP
5. Hold pre-bid conferences
6. Evaluate RFP responses (LRWL to provide an analysis to NDPERS)
7. Manage post-bid sessions with finalists
8. Participate in and conduct on-site visits of finalists
9. Review recommendation from LRWL regarding top implementation vendors
10. Reference checks on vendor finalists
11. Select vendor and hold initial contract negotiations
12. Review estimated implementation timeframes and NDPERS staffing requirements as provided by LRWL.

13. Present information to the Board as requested by the Executive Director
14. Finalize contract (assuming Board approval and Legislative spending authority).

3.3 Product Description

The expected and desired end product of this project is identification of a vendor solution that addresses NDPERS documented requirements as identified in the RFP and a negotiated contract with a vendor to implement that solution for NDPERS. In bringing about that product, a number of documents will be developed by LRWL in conjunction with NDPERS and submitted to NDPERS for their review and approval. These documents include the following:

1. An RFP for a replacement benefit administration system
2. Evaluation criteria and scoring spreadsheets to be used when reviewing and evaluating the submitted vendor proposals
3. A reference check questionnaire
4. Product demonstration scenarios for use at vendor demonstrations
5. Agenda for product demonstrations
6. Agenda for site visits

In addition to these documents, LRWL will assist NDPERS through the procurement process including assistance with evaluation and selection of a solution vendor, assistance with contract negotiations, and presentations to the NDPERS Board of Directors as deemed necessary.

After the successful completion of this project, including identification of an acceptable solution and successful negotiation of a vendor contract (assuming Legislative spending authority and NDPERS Board approval), NDPERS will proceed with the implementation phase of their proposed line of business solution.

4 SCOPE MANAGEMENT

Scope Management involves the identification of all the work required, and only the work required, to complete the project successfully

4.1 Scope Control

The scope of this project, as identified in Section 3.2, may only be altered through written agreement between the NDPERS Executive Director and LRWL management.

4.1.1 Project Scope Statement

This project will procure (following State policies and best practices) a single application to replace a range of legacy application systems currently used to administer PERS' benefit plans.

The scope of this project includes the following activities:

1. Develop business and operating requirements to be included in the RFP
2. Develop a procurement strategy
3. Create draft RFP
4. Finalize and release RFP
5. Hold pre-bid conferences
6. Evaluate RFP responses (LRWL to provide an analysis to NDPERS)
7. Manage post-bid sessions with finalists
8. Participate in and conduct on-site visits of finalists
9. Review recommendation from LRWL regarding top implementation vendors
10. Reference checks on vendor finalists
11. Select vendor and hold initial contract negotiations
12. Review estimated implementation timeframes and NDPERS staffing requirements as provided by LRWL.
13. Present information to the Board as requested by the Executive Director
14. Finalize contract (assuming Board approval and Legislative spending authority).

4.1.2 Key Deliverables

Please see Table 1 in Section 5, for a list of key deliverables.

4.1.3 Out of Scope

Anything not included within the above section is considered out of scope and subject to the change control process.

Note: The actual LASR system implementation will be treated as a separate project. That project is dependent on legislative approval per the outcome of procurement planning.

4.1.4 Scope Control

Scope control is concerned with influencing the factors that create scope changes, determining that a scope change has occurred, and managing the actual changes when and if they occur.

The control of changes to the scope identified in this document will be managed through the Integrated Change Control procedure as described in Section 9. These procedures include the use of Change Request Forms and the Change Control Log to identify and manage changes.

5 ACCEPTANCE MANAGEMENT

Each deliverable will be submitted to NDPERS with a cover letter stating the name of the deliverable as defined in the table below. Upon receipt, the NDPERS Project Manager (Project Coordinator, as needed) will perform the following tasks:

- Distribute the deliverables to the NDPERS Project Steering Committee and all designated reviewers
- Gather and combine all reviewer comments into one electronic copy of the deliverable
- Return the annotated deliverable to LRWL with explanation of requested changes
- After receipt of the updated deliverable, distribute the revised copy to the NDPERS Project Steering Committee
- After all comments have been addressed to the satisfaction of NDPERS, note the final acceptance of the deliverable in the "Deliverable Acceptance Log." (see table below)
- Maintain a file of the final version of each deliverable

Table 1 - Deliverable Acceptance Log

Deliverable Number	Deliverable Name	Sent for NDPERS review on	Sent for NDPERS Acceptance on	Action and Comments (Accept/Reject)	Action Date
1	The criteria to be included in the RFP				
2	A procurement strategy				
3	A draft RFP				
4	A final RFP				
5	Management of the pre-bid conferences				
6	An analysis of the evaluations of the RFP responses				
7	Management of the post-bid sessions with finalists				
8	Recommendation of the top implementation vendors to NDPERS				
9	Reference checks on vendor finalists				
10	Site Visit Participation and Summary Report				
11	Assistance in the final contract negotiations				
12	Estimated implementation timeframes and NDPERS staffing requirements				
13	The presentation of project information to the Board as requested by the Executive Director				

6 TIME MANAGEMENT

Project Time Management includes the processes required to ensure timely completion of the project.

6.1 Project Schedule

A detailed Microsoft Project plan is included in Appendix A. In addition, a work breakdown structure showing task names, start dates, end dates and durations is provided in Appendix B.

6.2 Schedule Control

The project schedule for this project is maintained in Microsoft Project 2003.

The LRWL project manager will update the project schedule, based on information gathered from the weekly status meetings. The project schedule will be updated on a monthly basis in conjunction with the Monthly Status Report.

With each update, the project schedule will be archived by saving it to a file with the week number coded in the filename, so that it is possible to trace project data back to previous versions of the work plan.

Only approved changes will be made to the schedule. The NDPERS executive Director and LRWL management must approve any schedule changes.

Changes to the project Schedule are subject to the Integrated Change Control Process (See Section 9.0). When an event occurs that requires a change to the project schedule, the impact to other project aspects (budget, scope, quality, risks, etc.) will be evaluated.

7 PROJECT BUDGET

The budget for this project is $355,420 and includes a cost of $316,720 for contractor assistance outside of NDPERS and ITD costs. The table provided provide below lists the associated costs.

Table 2 - Associated Project Costs

Cost Item	Cost Unit	Rate	Sub-total
Wechsler staff	1824 hours	Mixed rate	$316,720.00
NDPERS Staff/SME	806 hours/month	Salaries & benefits	$177,865
Site Visits	No more than 3 sites, or 4 people	$1600.00/per person	$ 19,200.00
ITD Costs	305 hours (assuming 20% time of 80% of 11 months	$75.00/hr	$ 22,875.00
Contingency		10%	$53,666.00
Total			$590,326.00

7.1 Cost Control

The Project Manager has the authority to expend funds as designated in the project budget.

Changes to the project budget are subject to the Integrated Change Control Process (See Section 9.0). When an event occurs that requires a change to the project budget, the impact to other project aspects (schedule, scope, quality, risks, etc.) will be evaluated.

8 QUALITY CONTROL

Workbooks and templates for each project task have been previously developed by LRWL and are used as part of its methodology. This approach will promote comprehensive coverage of RFP-related issues, consistency within the process and high quality.

Lists of interfaces, forms, correspondence, and reports will be maintained. Workbooks will use the lists to ensure that a consistent naming convention is used when referencing the listed items.

Subject Matter Experts will review each workbook to ensure the appropriate requirements are included and provide feedback to Project Manager or Project Coordinator as indicated.

Quality of the intervening steps will be gauged by acceptance of the deliverables and compliance with state procurement requirements, as indicated by procurement review by an appointed ITD representative. Acceptance of the project deliverables will represent LRWL's satisfactory understanding of NDPERS operations and requirements.

9 INTEGRATED CHANGE CONTROL

Integrated change control addresses:

1. Influencing the factors that create changes to ensure that changes are agreed upon,
2. Determining that a change has occurred, and
3. Managing the actual changes when and as they occur.

Changes to the project can impact a variety of areas including cost, scope, schedule, and quality. Changes to the project that impact one or more of these areas must be approved via the change control process. A "Change Control Form" is included in Appendix C. Changes and their status (e.g., pending, accepted, or rejected) will be tracked using the Change Control Log (see Appendix D).

9.1 Change Control Process

The following describes the Change Control Process:

- A change request must be in writing to document the potential change. Anyone may issue a change request.
- The NDPERS Project Manager will review the change for the impact on cost, scope, schedule, quality, and risk. When applicable, the review will be conducted by LRWL.
- The project team will continue performing the services in accordance with the original agreement, until the parties agree in writing on the change to the project scope.
- The LASR Steering Committee will review all proposed change orders and will submit the change order to the NDPERS Executive Director with a recommendation to approve or reject the change order.
- The NDPERS Executive Director will approve or reject the change order. If the change order is rejected, no further action will be taken. If the Change order is approved, the NDPERS Executive Director will contact the LRWL Project Manager.
- Once both the NDPERS Executive Director and LRWL management approve a change, a change order shall be agreed upon and issued in writing prior to implementation as the agreed upon change may be different from that originally requested.
- If the change is not accepted:
  - LRWL management will discuss the change order with the NDPERS Executive Director
  - If the change order is rejected, no further action is required, other than notifying requester of the status.
  - If an agreement is reached, the modified change order will be given to the Project Manager for appropriate action.
- The project manager will modify project plans to incorporate approved changes.
- Progress on the change requests and the change log itself will be submitted and reported at each weekly status meeting or, alternatively, in the status reports to all pertinent parties.
- All change orders will be logged, tracked and updated by the NDPERS Project Manager

10 PROJECT RESOURCES

The following resources will be required for the successful completion of this phase of the project:

- NDPERS Project Sponsor
- NDPERS Project Manager
- NDPERS Project Coordinator
- NDPERS management staff
- NDPERS subject matter experts
- NDPERS IT staff
- Contractor with experience in public employee benefits administration to facilitate and guide the RFP development effort and procurement process, details of which are identified in the "Legacy Application System Replacement Project" RFP.
- Resources provided by the selected vendor

The human resource level required for successful completion of this project is identified in Section 7.0.

Name	Area	Core Team	Steering Committee	SME	Allocation to Project
Sparb Collins	Exec Dir	X	X		10%
Deb Knudsen	R&D	X	X		70%
Dirk Huggett	ITD		X		10%
Ron Gilliam	IT	X	X	X	40%
Sharon Schiermeister	A	X	X	X	30%
Cheryl Stockert	ADM	X	X	X	25%
Kim Humann	ADM	X			5%
Jamie Kinsella	IA	X	X		30%
Kathy Allen	BEN	X	X		20%
Sharmain Dschaak	DB			X	35%
Diane Heck	DC			X	15%
Cheryle Massett	INS			X	25%
Leon Heick	IA			X	5%
Rebecca Fricke	BEN			X	25%
Raleigh Moore	ACCTG			X	20%
Tammy Becker	ACCTG			X	20%
Vickie Johnson	ACCTG			X	20%
Leon Heick	ACCTG			X	20%
Kevin Pfannsmith	IT			X	25%
Arnie Seitz	IT			X	25%
Julie Nagel	MEMSVC			X	20%
Appointed ITD representative	ITD			X	20% (or as needed)

The "Core Team" consists of individuals who oversee specific business functional areas within PERS. It is through them and through their staff that information will be gathered when developing the RFP.

The following sections identify the parties involved in the RFP development and procurement effort along with their authority and responsibilities

10.1 Project Sponsor

The Project Sponsor has ultimate authority over the project. The project sponsor, through the Board of Trustees, provides project funding, resolves issues and scope changes, approves major deliverables, and provides high level direction. The project sponsor also acts as champion of the project from within the organization and outside the organization.

Sparb Collins, Executive Director, NDPERS, will fill the role of Project Sponsor. Sparb will:

- Provide guidance and support to the project team
- Provide resources needed to successfully complete the project
- Provide the final decision point for resolution of any issues not resolved by the Steering Committee
- Coordinate project activity with the NDPERS Board and other outside or oversight entities.

10.2 LASR Steering Committee

The LASR Steering Committee is responsible for the business issues associated with the project that is essential for attaining project benefits. This includes defining and realizing benefits, monitoring risks, quality and timelines, making policy and resource decisions, and assessing requests for changes to the scope of the project.

Additionally, LASR Steering Committee responsibilities include:

- Ensuring project's scope aligns with the agreed requirements of the key stakeholder groups
- Providing those directly involved in the project with guidance on project business issues
- Ensuring that strategies to address potential threats to the project's success have been identified and that the threats are regularly re-assessed
- Addressing any issue which has major implications for the project
- Keeping the project scope under control as emergent issues require changes to be considered
- Reconciling differences in opinion and approach as well as resolving disputes that may arise, and
- Reporting on project progress to those responsible at a high level such as the Board of Trustees and other oversight entities.

For the procurement phase, including development of the RFP for the LASR project, the following will comprise the Executive Steering Committee:

- Sparb Collins, NDPERS Executive Director
- Deb Knudsen, Program Development and Research Manager
- Dirk Huggett, ITD, IT Business Analyst
- Ron Gilliam, IT Coordinator
- Sharon Schiermeister, Accounting Manager

- Cheryl Stockert, Administrative Services Manager
- Jamie Kinsella, Internal Auditor
- Kathy Allen, Employee Benefit Programs and Human Resource Manager
- Representation from LRWL.

10.3 Project Manager

The project manager is responsible for seeing that the goals of the project are attained by the scheduled completion date of the project and within the budget set forth for the project. In addition, the Project Manager is responsible for:

- Integration – ensure that the various elements of the project are properly coordinated
- Scope – ensure that the project includes all the work required - and only the work required – to complete the project successfully
- Time – ensure timely completion of the project
- Cost – ensure that the project is completed within the approved budget
- Quality – ensure that the project will satisfy the needs for which it was undertaken
- Human resources – make the most effective use of the people involved in the project
- Communications – ensure timely and appropriate generation, collection, dissemination, storage, and ultimate disposition of project information
- Risk – identify, analyze, and appropriately respond to project risk including issue resolution
- Coordinating reviewer comments for project deliverables

Deb Knudsen will fill the role of Project Manager.

10.4 Project Coordinator

The project coordinator is responsible for the administrative tasks related to the project. The project coordinator is responsible for:

- Maintaining records of meetings and related documents
- Setting up and coordinating meetings for project
- Coordinating development of agency documents
- Procuring goods and services from outside the organization, when needed.
- Coordinating reviewer comments for project deliverables
- Distributing revised, updated deliverables when necessary in the project manager's absence.

Cheryl Stockert will fill the role of Project Coordinator

10.5 Subject Matter Experts

A Subject Matter Expert or SME is an individual who understands a business process or area well enough to answer questions from people in other groups. An SME is most commonly used to explain the current process to IT and then answer their questions as they try to build a technology system to automate or streamline a process. In this case, SMEs will be assisting the project team in identifying requirements of the replacement benefits administration system for inclusion in the RFP. An SME represents the interests and knowledge of the business area from which they are drawn.

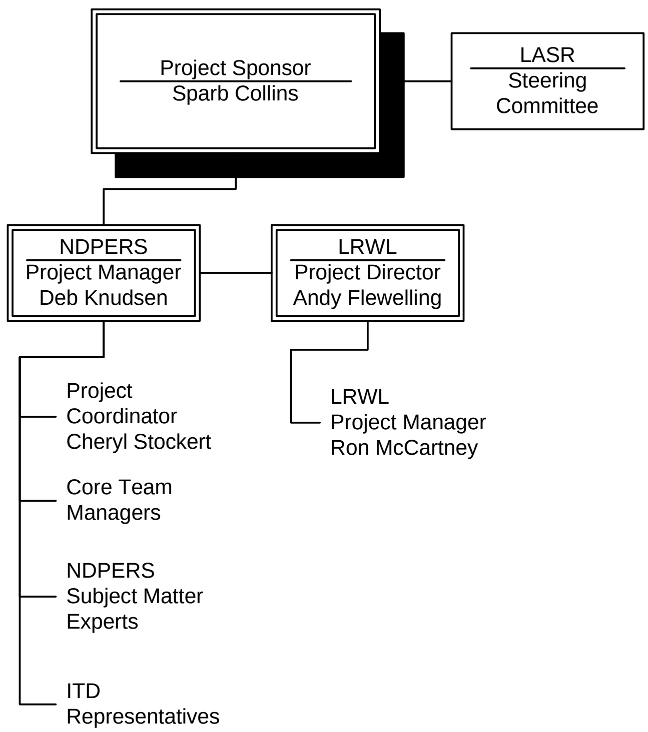
An SME is responsible for:

- Requirements gathering and use case development (scripting a procedure)
- Reviewing and commenting on draft sections of the RFP related to their functional area
- Providing and explaining documentation
- Communicating to co-workers regarding the project and bringing those co-workers' ideas and comments back to the project manager and teams
- Evaluating RFP Responses, and
- Identifying issues and risks.

SMEs will be identified by business area representatives on the Executive Steering Committee sufficiently in advance of data gathering sessions for the RFP development effort.

10.6 Organization Chart

The chart below is an organization chart of the project team



10.7 Team Development Plans

A kick-off meeting will be held to initiate the RFP development project.

LRWL will provide NDPERS team members with instructions on how to review the various templates and workbooks provided by LRWL as part of the RFP development process.

Further, instructions and training will be provided relating to evaluating proposals, evaluating and conducting product demonstration scenarios and reference checks, and scoring proposals.

11 COMMUNICATIONS MANAGEMENT PLAN

The following section outlines communications methods and media used to report progress and other information pertinent to the procurement phase including RFP development.

11.1 Mandated Reporting

The project meets the legislative definition of a large project. As such, it is subject to the Large Project Oversight process. The Large Project Oversight process is defined in the Project Management of Large Information Technology Projects standard (STD009-005). The standard can be found at:

http://www.state.nd.us/ea/standards/standards/approved/std009-05.pdf

STD009-005 incorporates the reporting requirements for HB1275. An excerpt from NDCC 54-59-23 (HB1275) is provided below.

An executive, legislative, or judicial branch agency, except for institutions under the control of the state board of higher education, shall report to the state information technology advisory committee according to guidelines developed by the department and reviewed by the state information technology advisory committee regarding the plan for and status of any information technology project that is estimated to cost more than two hundred fifty thousand dollars.

During the life of the project, the agency shall notify the state information technology advisory committee if:

- At a project milestone, the amount expended on project costs exceeds the planned budget for that milestone by twenty percent or more; or

- At a project milestone, the project schedule extends beyond the planned schedule to attain that milestone by twenty percent or more.

A report under subsection 2 (HB1275) must specify corrective measures being undertaken to address any cost or time of completion issue. If the agency has not taken adequate corrective measures within ninety days after the report, the agency shall submit a report to the legislative council's information technology committee regarding the project.

Upon completion of the project, the agency shall notify the state information technology advisory committee if:

- The budget for the project exceeded the original budget by twenty percent or more; or

- The final project completion date extended beyond the original project scheduled completion date by twenty percent or more.

Tracking against HB1275 will take place via the Project Budget spreadsheet and the project schedule in MS Project.

11.2 Other Communications

Other mediums of communication will be employed to convey pertinent information regarding the project. The method and extent of information will vary as appropriate for the intended audience. The table provided below lists the communication to be employed on this project:

Table 3 - Communications Methods

Deliverable or Description	Sender Organizer	Receiver Categories	Delivery Method	Delivery Frequency	Response Needed
Project Charter	NDPERS and LRWL Project Manager	NDPERS Board	Report emailed to Project Coordinator	Prior to project Initiation	Yes
LASR Steering Committee Meeting	Project Coordinator	LASR Steering Committee members	Meeting	Weekly, Wednesdays at 9:00 a.m.	No
All-staff meeting	NDPERS Project Manager	NDPERS staff	Meeting	monthly	No
Status Reports	LRWL Project Manager	LASR Steering Committee members	Via email	Weekly	No
Project Updates	LRWL Project Manager	NDPERS Board	Paper report mailed to Project Coordinator	Monthly	No
Deliverable reviews	LRWL and NDPERS Project Managers	Project Team members	Meeting	As needed	Yes
RFP Release	LRWL Project Manager/NDPERS Program Manager	Vendor community	Letter or email to vendors, industry publications, state procurement site announcing publication	At initiation of procurement process	Yes
Facilitation of Bidders Conference	LRWL Project Manager	Vendors	Meeting	During the procurement process	Yes
Post project review	Project Coordinator	SME's, Steering Committee Members, Core members	Meeting with report of conclusions and recommendations submitted via email.	Upon project completion during project closeout	No

12 RISK AND ISSUES MANAGEMENT

Risk Management is the systematic process of identifying, analyzing, and responding to project risks. It includes maximizing the probability and consequences of positive events and minimizing the probability and consequences of adverse events to project objectives.

12.1 Definitions

The following two (2) definitions apply to risk management:

- Risks – Future events that may adversely affect the project.
- Issues – Currents events that may adversely affect the project.

12.2 Risk and Issue Management Plan

To manage the risks and other issues that arise during the project, a Risk and Issue Management Procedure will be implemented. Risks and issues will be managed throughout the project and will employ a Risk and Issue Log. The log will be reviewed at weekly status meetings.

Over the course of the projects, issues may arise for which resolution rests outside of the boundaries of the project team's authority. The procedure described below will be used to address these problems to enable the project to continue.

12.2.1 Record Risk and Issue Details

Risk and Issue tracking will include the following:

- Any team member may raise an issue or discover a risk and request that it be added to the Risk Management or Issue Management Log (Appendix E and F, respectively) as each arises.
- The NDPERS Project Manager will investigate the issue and, if necessary, will update the logs with background information to place the risk or issue in perspective.
- The progress and resolution of issues will be recorded in the risk and issue log.
- The Project Manager will discuss the risk or issue with appropriate personnel and try to resolve the issues at their level.
- If resolution is not found, the issue will be escalated to the LASR Steering Committee.
- If LASR Steering Committee cannot resolve the issue, the issue will be escalated to the Project Sponsor.
- Alternative solutions to the risk or issue will be discussed and documented in the Issue log and updated at LASR Steering Committee meetings.
- The impact on schedules and costs will be estimated for each solution.
- The Project Manager will make a recommendation which will be documented in the log.
- Recommendations will be reviewed at status meetings.
- If change control is required then the data collected within the issues log will be submitted for background information as part of the Integrated Change Control (See Section 9.0) process.

- If no action is elected, then such must clearly indicated in the issue log.

12.2.2 Risk Management Log

A Risk Management Log is located in Appendix E and covers the following points:

- Risk ID – Unique identifier assigned to the risk, numbered sequentially from 1.
- Status – Identifies whether the risk is potential, active, or closed.
- Risk Description – A description of the risk.
- Risk Probability – The likelihood that the risk will occur. See the "Evaluating Risk Probability" section of the below for possible values. In this category the descriptive words Low, Moderate, or High will be used.
- Risk Score – The impact on the project if the risk event occurs. See the "Evaluating Risk Impact" section of the table below for possible values. In this category the descriptive words Low, Moderate, or High will be used.
- Risk Score – Reflects the severity of the risks effect on objectives. The risk score is determined by multiplying the risk probability and risk impact values. The intent is to assign a relative value to the impact on project objectives if the risk in question should occur.
- Risk Response Plan – Specific actions to enhance opportunities and reduce threats to the project's objectives.

Table 4 - Risk Scoring Table

	Impact (on cost, time, or scope)		
Probability	**Low = 5%**	**Moderate = 20%**	**High = 80%**
High = 90%	5%	18%	72%
Moderate = 50%	3%	10%	40%
Low = 10%	1%	2%	8%

12.2.3 Issue Log

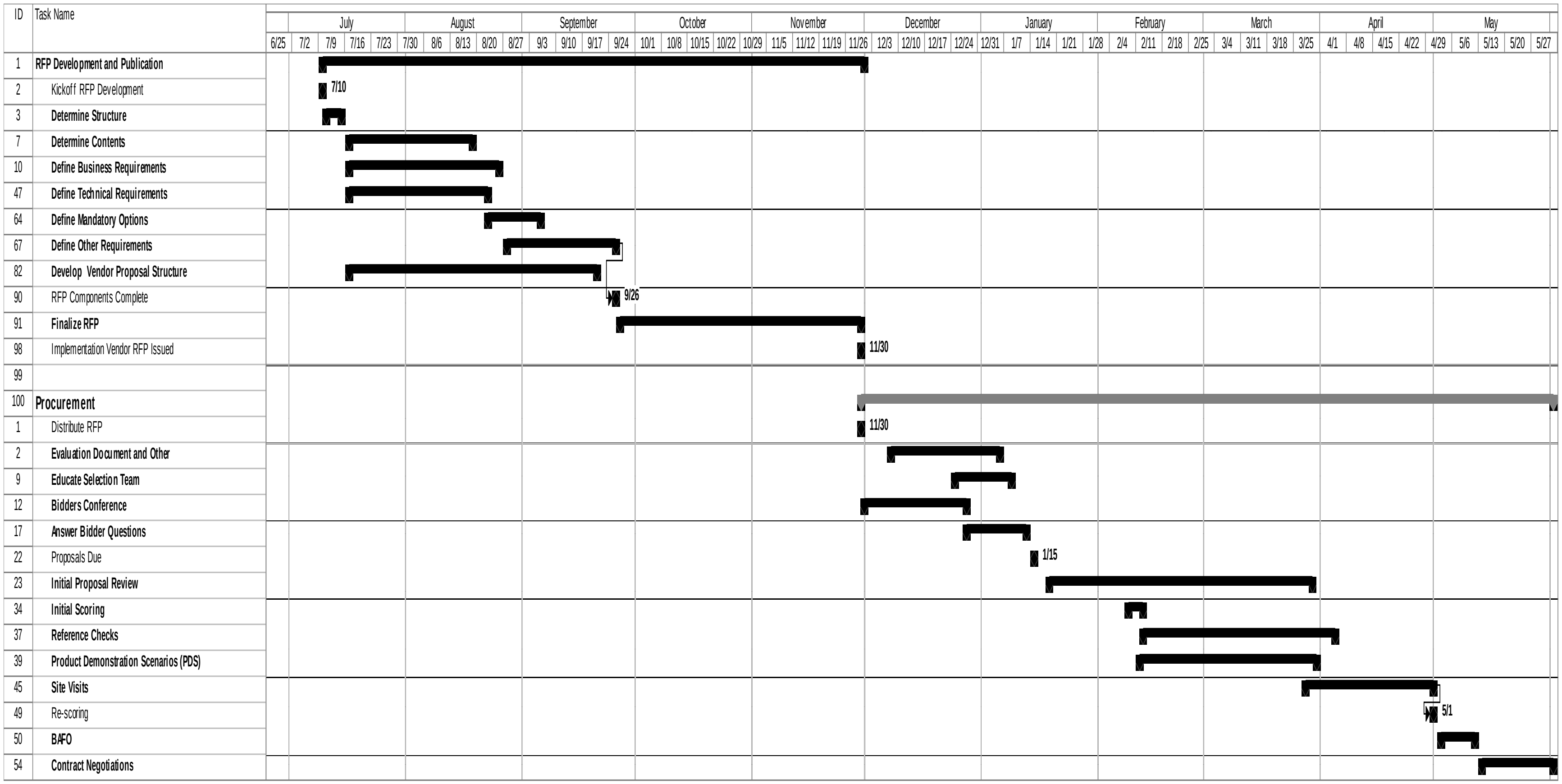
An Issue Management Log is located in Appendix F and covers the following points:

- Issue # – Unique identifier of the issue.
- Date Identified – The date that the issue was recognized.
- Issue Description – A title and description of the issue.
- Comments – Comments regarding the issue.
- Assigned To – Person(s) responsible for issue resolution.
- Actions Taken – Actions taken to date to resolve the issue.
- Status – Identifies whether the issue is active or closed.
- Last Update – Date the log was last updated for this issue.

13 APPENDICES

13.1 Appendix A – Project Schedule

The illustration provided below depicts a high-level timeline, often referred to as a Gantt chart, of the project. Additional detail on any of the aggregated tasks is available in Appendix B – Work Breakdown Structure.



13.2 Appendix B – Work Breakdown Structure

A list from the Microsoft Project project plan, as presented on the following three (3) pages, represents the tasks that LRWL and NDPERS will complete to develop the RFP, solicit proposals, evaluate proposals and select an acceptable proposal:

NDPERS Legacy Application System Replacement - Project Plan

ID	WBS	Task Name	Start	Finish	Duration
1	**1**	**RFP Development and Publication**	**Mon 7/10/06**	**Thu 11/30/06**	**104 days**
2	1.1	Kickoff RFP Development	Mon 7/10/06	Mon 7/10/06	1 day
3	**1.2**	**Determine Structure**	**Tue 7/11/06**	**Fri 7/14/06**	**4 days**
4	1.2.1	Determine RFP Format and Organization	Tue 7/11/06	Tue 7/11/06	1 day
5	1.2.2	Determine RFP Scope	Tue 7/11/06	Wed 7/12/06	2 days
6	1.2.3	Develop RFP TOC	Thu 7/13/06	Fri 7/14/06	2 days
7	**1.3**	**Determine Contents**	**Mon 7/17/06**	**Fri 8/18/06**	**25 days**
8	**1.3.1**	**Document Current Environment**	**Mon 7/17/06**	**Fri 8/4/06**	**15 days**
9	1.3.1.1	Review material from feasibility study	Mon 7/17/06	Fri 7/21/06	1 wk
10	1.3.1.2	Gather additional material	Mon 7/24/06	Fri 8/4/06	2 wks
11	1.3.2	Develop RFP Subsection	Mon 8/7/06	Fri 8/18/06	2 wks
12	**1.4**	**Define Business Requirements**	**Mon 7/17/06**	**Fri 8/25/06**	**30 days**
13	**1.4.1**	**Review As Is Requirements**	**Mon 7/17/06**	**Fri 8/25/06**	**30 days**
14	1.4.1.1	Accounting	Mon 7/17/06	Fri 7/28/06	2 wks
15	1.4.1.2	Employer Relations	Mon 7/17/06	Fri 7/28/06	2 wks
16	1.4.1.3	Lump Sum	Mon 7/31/06	Fri 8/11/06	2 wks
17	1.4.1.4	Member	Mon 7/31/06	Fri 8/11/06	2 wks
18	1.4.1.5	Retirement Benefits	Mon 8/14/06	Fri 8/25/06	2 wks
19	1.4.1.6	Retirement Disability	Mon 8/14/06	Fri 8/25/06	2 wks
20	**1.4.2**	**Review To Be Requirements**	**Mon 7/17/06**	**Tue 8/22/06**	**27 days**
21	1.4.2.1	Distribute To Be Requirements Workbooks	Mon 7/17/06	Mon 7/17/06	1 day
22	**1.4.2.2**	**Determine Business Functionality**	**Tue 7/18/06**	**Mon 8/7/06**	**15 days**
23	1.4.2.2.1	Activity Tracking and Counseling	Tue 7/18/06	Mon 7/24/06	1 wk
24	1.4.2.2.2	Audit and Security	Tue 7/18/06	Mon 7/24/06	1 wk
25	1.4.2.2.3	Benefit Calculations	Tue 7/18/06	Mon 7/24/06	1 wk
26	1.4.2.2.4	Court Orders, QDROS and Divorce	Tue 7/18/06	Mon 7/24/06	1 wk
27	1.4.2.2.5	Death Benefits	Tue 7/18/06	Mon 7/24/06	1 wk
28	1.4.2.2.6	Disability and Appeals	Tue 7/18/06	Mon 7/24/06	1 wk
29	1.4.2.2.7	Employer Reporting and Accounting	Tue 7/18/06	Mon 7/24/06	1 wk
30	1.4.2.2.8	Enrollment	Tue 7/18/06	Mon 7/24/06	1 wk
31	1.4.2.2.9	Estimates	Tue 7/25/06	Mon 7/31/06	1 wk
32	1.4.2.2.10	Funds Management	Tue 7/25/06	Mon 7/31/06	1 wk
33	1.4.2.2.11	General Reporting and Query	Tue 7/25/06	Mon 7/31/06	1 wk
34	1.4.2.2.12	Global and Miscellaneous	Tue 7/25/06	Mon 7/31/06	1 wk
35	1.4.2.2.13	Member Beneficiary	Tue 7/25/06	Mon 7/31/06	1 wk
36	1.4.2.2.14	Membership Statement	Tue 7/25/06	Mon 7/31/06	1 wk
37	1.4.2.2.15	Multiple Service / Reciprocity	Tue 7/25/06	Mon 7/31/06	1 wk
38	1.4.2.2.16	Payroll, including Post Retirement Adjustments	Tue 7/25/06	Mon 7/31/06	1 wk
39	1.4.2.2.17	Power of Attorney, Guardian, Trustee	Tue 8/1/06	Mon 8/7/06	1 wk
40	1.4.2.2.18	Purchase of Service	Tue 8/1/06	Mon 8/7/06	1 wk
41	1.4.2.2.19	Refunds	Tue 8/1/06	Mon 8/7/06	1 wk
42	1.4.2.2.20	Return to Work	Tue 8/1/06	Mon 8/7/06	1 wk
43	1.4.2.2.21	Tax Reporting	Tue 8/1/06	Mon 8/7/06	1 wk
44	1.4.2.2.22	Third Party Payments	Tue 8/1/06	Mon 8/7/06	1 wk
45	1.4.2.2.23	General Ledger	Tue 8/1/06	Mon 8/7/06	1 wk
46	1.4.2.2.24	Imaging and Workflow	Tue 8/1/06	Mon 8/7/06	1 wk
47	1.4.2.3	Reviews Completed	Tue 8/8/06	Tue 8/8/06	1 day
48	1.4.2.4	Develop RFP Subsection	Wed 8/9/06	Tue 8/22/06	2 wks
49	**1.5**	**Define Technical Requirements**	**Mon 7/17/06**	**Tue 8/22/06**	**27 days**
50	1.5.1	Distribute Technical Requirements Workbook	Mon 7/31/06	Mon 7/31/06	1 day
51	1.5.2	Review the workbook with NDPERS	Tue 8/1/06	Thu 8/3/06	3 days
52	1.5.3	Gather source material for RFP section	Fri 8/4/06	Thu 8/10/06	1 wk
53	1.5.4	Inventory Hardware and Software	Fri 8/11/06	Thu 8/17/06	5 days
54	1.5.5	Assess suitability for new LOB	Fri 8/18/06	Tue 8/22/06	3 days
55	**1.5.6**	**Review Data Structures**	**Mon 7/17/06**	**Thu 7/27/06**	**9 days**
56	1.5.6.1	Gather Table Structures	Mon 7/17/06	Mon 7/17/06	1 day
57	1.5.6.2	Review Structures with IT and ITD	Tue 7/18/06	Thu 7/20/06	3 days
58	1.5.6.3	Develop RFP subsection	Fri 7/21/06	Thu 7/27/06	5 days

Page 1

NDPERS Legacy Application System Replacement - Project Plan

ID	WBS	Task Name	Start	Finish	Duration
59	**1.5.7**	**Review Interfaces (Imaging, Web, PS and others)**	**Fri 8/4/06**	**Fri 8/18/06**	**11 days**
60	1.5.7.1	Identify and review current interfaces	Fri 8/4/06	Fri 8/4/06	1 day
61	1.5.7.2	Determine "to be" interface requirements	Mon 8/7/06	Fri 8/11/06	1 wk
62	1.5.7.3	Develop RFP subsection	Mon 8/14/06	Fri 8/18/06	1 wk
63	**1.5.8**	**Define Other Technical Requirements**	**Fri 8/4/06**	**Tue 8/15/06**	**8 days**
64	1.5.8.1	Determine other technical requirements	Fri 8/4/06	Tue 8/8/06	3 days
65	1.5.8.2	Develop RFP Subsection	Wed 8/9/06	Tue 8/15/06	1 wk
66	**1.6**	**Define Mandatory Options**	**Wed 8/23/06**	**Tue 9/5/06**	**10 days**
67	1.6.1	Gather high-level requirements data	Wed 8/23/06	Tue 8/29/06	1 wk
68	1.6.2	Produce RFP subsection	Wed 8/30/06	Tue 9/5/06	1 wk
69	**1.7**	**Define Other Requirements**	**Mon 8/28/06**	**Mon 9/25/06**	**21 days**
70	1.7.1	Distribute Workbook Template	Mon 8/28/06	Mon 8/28/06	1 day
71	**1.7.2**	**Review the templates with NDPERS**	**Tue 8/29/06**	**Mon 9/18/06**	**15 days**
72	1.7.2.1	Project Management Requirements	Tue 8/29/06	Mon 9/4/06	1 wk
73	1.7.2.2	New Functionality	Tue 8/29/06	Mon 9/4/06	1 wk
74	1.7.2.3	Process & Organizational Change Requirements	Tue 8/29/06	Mon 9/4/06	1 wk
75	1.7.2.4	Data Requirements	Tue 8/29/06	Mon 9/4/06	1 wk
76	1.7.2.5	Project Staffing Requirements	Tue 9/5/06	Mon 9/11/06	1 wk
77	1.7.2.6	Training Requirements	Tue 9/5/06	Mon 9/11/06	1 wk
78	1.7.2.7	Testing Requirements	Tue 9/5/06	Mon 9/11/06	1 wk
79	1.7.2.8	Disaster Recovery Requirements	Tue 9/5/06	Mon 9/11/06	1 wk
80	1.7.2.9	Warranty & Post Warranty Support Requirements	Tue 9/12/06	Mon 9/18/06	1 wk
81	1.7.2.10	Project Timetable	Tue 9/12/06	Mon 9/18/06	1 wk
82	1.7.2.11	Proposal Evaluation Criteria	Tue 9/12/06	Mon 9/18/06	1 wk
83	1.7.3	Develop RFP Other Requirements Section	Tue 9/19/06	Mon 9/25/06	5 days
84	**1.8**	**Develop Vendor Proposal Structure**	**Mon 7/17/06**	**Wed 9/20/06**	**48 days**
85	1.8.1	Distribute Workbook Template	Wed 9/6/06	Wed 9/6/06	1 day
86	1.8.2	Gather NDPERS Standards Language	Thu 9/7/06	Wed 9/13/06	1 wk
87	1.8.3	Format of Offeror Technical Proposals	Thu 9/14/06	Wed 9/20/06	1 wk
88	1.8.4	Cost Proposal Spreadsheets	Thu 9/14/06	Wed 9/20/06	1 wk
89	1.8.5	Invoicing / Payment / Holdback	Thu 9/14/06	Wed 9/20/06	1 wk
90	1.8.6	Procurement Terms & Conditions	Thu 9/14/06	Wed 9/20/06	1 wk
91	1.8.7	Assemble RFP Attachments	Mon 7/17/06	Wed 9/20/06	9.6 wks
92	1.9	RFP Components Complete	Tue 9/26/06	Tue 9/26/06	1 day
93	**1.10**	**Finalize RFP**	**Wed 9/27/06**	**Wed 11/29/06**	**46 days**
94	1.10.1	Complete RFP Assembly	Wed 9/27/06	Fri 9/29/06	3 days
95	1.10.2	Conduct internal QA review	Mon 10/2/06	Fri 10/13/06	2 wks
96	**1.10.3**	**Review Cycle 1**	**Mon 10/16/06**	**Fri 11/3/06**	**15 days**
97	1.10.3.1	Submit to NDPERS for review	Mon 10/16/06	Mon 10/16/06	1 day
98	1.10.3.2	NDPERS Internal Review	Tue 10/17/06	Wed 10/25/06	7 days
99	1.10.3.3	LRWL Modifications	Thu 10/26/06	Fri 11/3/06	7 days
100	**1.10.4**	**Review Cycle 2**	**Mon 11/6/06**	**Fri 11/24/06**	**15 days**
101	1.10.4.1	Submit to NDPERS for review	Mon 11/6/06	Mon 11/6/06	1 day
102	1.10.4.2	NDPERS Internal Review	Tue 11/7/06	Wed 11/15/06	7 days
103	1.10.4.3	LRWL Modifications	Thu 11/16/06	Fri 11/24/06	7 days
104	1.10.5	Approve Final RFP	Mon 11/27/06	Tue 11/28/06	2 days
105	1.10.6	RFP Approved	Wed 11/29/06	Wed 11/29/06	1 day
106	1.11	Implementation Vendor RFP Issued	Thu 11/30/06	Thu 11/30/06	1 day
107					
108	**2**	**Procurement**	**Thu 11/30/06**	**Thu 5/31/07**	**131 days**
1	1	Distribute RFP	Thu 11/30/06	Thu 11/30/06	1 day
2	**2**	**Evaluation Document and Other**	**Fri 12/8/06**	**Fri 1/5/07**	**21 days**
3	2.1	Develop and approve outline	Fri 12/8/06	Thu 12/14/06	5 days
4	2.2	Draft the document	Fri 12/8/06	Mon 12/18/06	7 days
5	2.3	Submit to IPERS	Tue 12/19/06	Tue 12/19/06	1 day
6	2.4	IPERS Reviews document	Wed 12/20/06	Fri 12/29/06	8 days
7	2.5	Review with IPERS and Incorporate changes	Mon 1/1/07	Wed 1/3/07	3 days
8	2.6	Submit Final Draft	Thu 1/4/07	Fri 1/5/07	2 days

Page 2

NDPERS Legacy Application System Replacement - Project Plan

ID	WBS	Task Name	Start	Finish	Duration
9	**3**	**Educate Selection Team**	**Mon 12/25/06**	**Mon 1/8/07**	**11 days**
10	3.1	Identify evaluation committee	Mon 12/25/06	Mon 12/25/06	1 day
11	3.2	Review the Evaluation Methodology Document	Mon 1/8/07	Mon 1/8/07	1 day
12	**4**	**Bidders Conference**	**Fri 12/1/06**	**Wed 12/27/06**	**19 days**
13	4.1	Develop, submit and approve agenda	Fri 12/1/06	Thu 12/7/06	5 days
14	4.2	Receive Bidder Questions	Fri 12/1/06	Thu 12/14/06	10 days
15	4.3	Draft Answers to Bidder Questions	Fri 12/15/06	Tue 12/26/06	8 days
16	4.4	Conduct Bidders Conference	Wed 12/27/06	Wed 12/27/06	1 day
17	**5**	**Answer Bidder Questions**	**Thu 12/28/06**	**Mon 1/1/07**	**3 days**
18	5.1	Finalize Answers to Bidders Questions	Thu 12/28/06	Fri 12/29/06	2 days
19	5.2	Review and Approve Answers	Mon 1/1/07	Mon 1/1/07	1 day
20	5.3	Publish answers	Mon 1/1/07	Mon 1/1/07	1 day
21	6	Proposals Due	Mon 1/15/07	Mon 1/15/07	1 day
22	**7**	**Initial Proposal Review**	**Tue 1/16/07**	**Thu 2/22/07**	**28 days**
23	7.1	Review Proposals for Non-compliance	Tue 1/16/07	Wed 1/17/07	2 days
24	**7.2**	**Rectify Non-compliant Proposals**	**Thu 1/18/07**	**Wed 1/24/07**	**5 days**
25	7.2.1	Notify non-compliant vendors **	Thu 1/18/07	Thu 1/18/07	1 day
26	7.2.2	Receive modified proposals	Fri 1/19/07	Wed 1/24/07	4 days
27	7.3	Open Cost Proposals and eliminate outliers	Tue 1/16/07	Tue 1/16/07	1 day
28	7.4	Review compliant proposals	Thu 1/18/07	Thu 2/8/07	16 days
29	**7.5**	**Questions to Bidders**	**Thu 1/18/07**	**Thu 2/22/07**	**26 days**
30	7.5.1	Develop Bidder Questions and distrbute	Thu 1/18/07	Wed 1/24/07	5 days
31	7.5.2	Review, revise, finalize and distribute	Thu 1/25/07	Mon 2/5/07	8 days
32	7.5.3	Receive and review vendor responses	Fri 2/16/07	Thu 2/22/07	1 wk
33	**8**	**Initial Scoring**	**Fri 2/9/07**	**Mon 2/12/07**	**2 days**
34	8.1	Develop initial score for vendors	Fri 2/9/07	Fri 2/9/07	1 day
35	8.2	Make first cut and notify Short-list Vendors	Mon 2/12/07	Mon 2/12/07	1 day
36	**9**	**Reference Checks**	**Tue 2/13/07**	**Mon 2/26/07**	**10 days**
37	9.1	Schedule and conduct reference checks	Tue 2/13/07	Mon 2/26/07	2 wks
38	**10**	**Product Demonstration Scenarios (PDS)**	**Tue 2/13/07**	**Thu 3/8/07**	**18 days**
39	10.1	Distribute scenarios to bidders	Tue 2/13/07	Tue 2/13/07	1 day
40	10.2	Schedule product demonstrations	Tue 2/13/07	Wed 2/14/07	2 days
41	10.3	Conduct Product Demonstrations	Tue 3/6/07	Thu 3/8/07	3 days
42	10.4	Review and document results	Tue 3/6/07	Thu 3/8/07	3 days
43	**11**	**Site Visits**	**Mon 3/19/07**	**Fri 3/30/07**	**10 days**
44	11.1	Schedule site visits	Wed 3/28/07	Fri 3/30/07	3 days
45	11.2	Conduct site visits	Mon 3/19/07	Fri 3/30/07	2 wks
46	11.3	Review and document results	Mon 3/19/07	Fri 3/30/07	2 wks
47	12	Re-scoring	Mon 4/2/07	Tue 4/3/07	2 days
48	**13**	**BAFO**	**Wed 4/4/07**	**Thu 4/12/07**	**7 days**
49	13.1	Request BAFOs from finalists	Wed 4/4/07	Thu 4/5/07	2 days
50	13.2	Receive and evaluate BAFO	Fri 4/6/07	Wed 4/11/07	4 days
51	13.3	Select winning vendor and distribute Notice of Intent to Awa	Thu 4/12/07	Thu 4/12/07	1 day
52	**14**	**Contract Negotiations**	**Fri 4/13/07**	**Thu 5/31/07**	**35 days**
53	14.1	Develop the contract	Fri 4/13/07	Thu 5/3/07	3 wks
54	14.2	Negotiate contract	Fri 5/4/07	Thu 5/24/07	3 wks
55	14.3	Preparation of Award Memo	Wed 5/30/07	Wed 5/30/07	1 day
56	14.4	Contract Execution	Thu 5/31/07	Thu 5/31/07	1 day

Page 3

13.3 Appendix C - Change Control Form

The form below may be used for collecting and submitting information on the change request:

Change Request Form

This Section to be filled out by Requester		**Date of Request:**
Client/Fund Name:	**Requester's Name:**	**Requester's Phone:**
Description of Change:		

This section to be filled out by NDPERS Project Manager		**Date received:**
Responded by:	**Response Date:**	**Change Request Number:**
Project Budget Changes:	**Project Date Changes:**	

Approval Signatures	
NDPERS Signature/Date:	**LRWL Signature/Date:**

Confidential

Page 1 of 1

13.4 Appendix D - Change Control Log

The table provided below can be expanded for use as a log into which change control requests are submitted and monitored. The log would be regularly distributed and reviewed at the status meetings.

Date Submitted	Change Request Number	Change Request Description	Requested By	Associated Cost	Project Impact	Status	Status "as of" date

13.5 Appendix E - Risk Management Log

The table provided below can be expanded for use as a log into which risks are recorded and maintained. The log would be regularly distributed and reviewed at the status meetings.

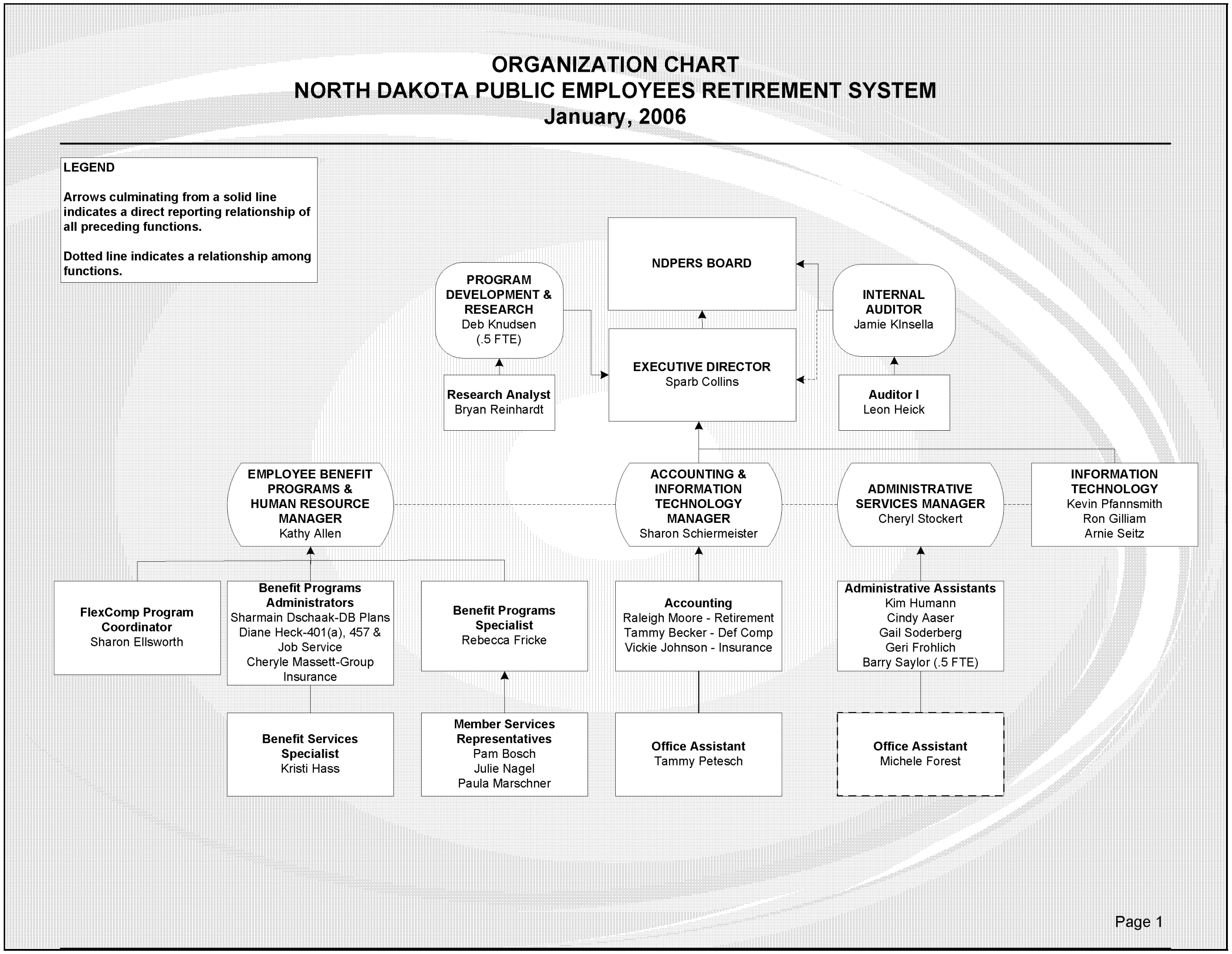
Date Identified	Status	Risk Description	Probability	Impact	Risk Score	Responsible Party	Agreed Response

13.6 Appendix F - Issue Management Log

The table provided below may be expanded for us as a log into which various project issues are recorded and maintained. The log would be regularly distributed and reviewed at the status meetings.

Date Identified	Issue Description	Comments	Assigned To	Actions Taken	Status	Last Update

13.7 Appendix G - Organizational Chart



13.8 Appendix H –LRWL Pension Solution Procurement Methodology RFP^ENSION Tools

#	Task	Description
1	Project Kick-off	This includes the initial administrative activities necessary to kickoff this phase of the project, including revision / "flushing out" of the project plan, establishing project communications procedures, reaching agreement on status reporting formats, project 'protocols', etc.
2	Review of Available Materials	Materials have been previously developed; these include items specifically related to the forthcoming effort, as well as items normally available at a retirement system – Summary Plan Descriptions, member and employer handbooks, procedures manuals, policy manuals, etc. Where applicable, these provide a useful basis for developing parts of the RFP.
3	Determine RFP Format and Organization	Some clients prefer a "linear" RFP, starting at Section 1 and ending at Section N. Others prefer organizing the major RFP divisions as appendices, with the body of the RFP referring to each appendix appropriately. LRWL presents the alternatives to the client in the form of real RFP examples, discussing the advantages and disadvantages of each, and assisting in determining which RFP organization model is best suited to the particular client.
4	Determine RFP Scope	Early in the process, it is essential to define the RFP's scope. Will the offeror be expected to supply hardware and commodity software as well as the pension application? Or will hardware and commodity software be procured separately by the client? If the former, we can use the latter to apply pressure and obtain a best price. But the vendor should be responsible, in any case, for specifying the configurations and guaranteeing adherence to performance requirements. Will the offeror be responsible for providing training services (to users, to managers, to employers, etc.), for developing a Disaster Recovery Plan, etc.? Are performance bonds required? Bid bonds? What percent holdback will be required? When and under what conditions will it be released? Will the vendor be responsible for creating/converting all forms and letters templates? How long a duration is required for Warranty? What is the desired nature of post-warranty support? Does the client understand the options with respect to solution rollout (e.g., one phase, two phases, multiple phases and the pros and cons, risk and cost implications, etc. of each? The answers to these and many other questions will shape the RFP. LRWL guides the client through these discussions and decisions, explaining the ramifications of each.
5	Develop RFP TOC	Based on the two previous tasks, LRWL drafts an RFP Table of Contents (TOC). The TOC is presented to the client for a (at least one) review and revision cycle. Then the RFP TOC is "finalized" and used as the roadmap for subsequent tasks.
6	Current Environment	LRWL develops a reasonably detailed description of the client's existing technical environment. This generally includes a description of the hardware environment (servers, client PCs, etc.), commodity software (operating systems, office suite, etc.), the pension application, and secondary applications. We like to include a schematic diagram of the current network. If possible, we also collect information on the data resource, its organization, and its quality. Discussions are held and decisions are made related to how much of the current environment the client can or should want to retain in the new solution – and what the risk vs. reward elements are. The current environment section is drafted, submitted to the client for review, and revised appropriately based on the client review - for later incorporation into the RFP document.

#	Task	Description
7	Business Requirements	LRWL and the client divide the pension application into about 20 - 25 subprocesses (enrollment, refunds, retirement estimates, etc.) and develop appropriate detailed descriptions of the current environment ("as is") and the new system requirements ("to be"). This is a lengthy process, which involves first philosophical discussions of the value of the level of detail needed to document both environments (for each of the 20 - 25 subprocesses) and then conducting interviews with user groups (business owners), developing appropriate narrative descriptions and process flows of the current environment, and developing detailed matrices of new system requirements. With respect to the new system requirements, LRWL provides customized workbooks (based on our repository, updated based on our review of existing client documentation and brief discussions) to expedite this otherwise long, arduous, and time consuming process. The workbooks are forwarded to the client with instructions to review them ahead of time and to identify for each entry a disposition code: Accept as is, Delete – not needed, accept with Modification, or Wait for discussion. That way staff time is NOT spend in potentially long sessions – rather what needs to be focused on is so addressed. LRWL assists in facilitating review meetings in order to resolve issues and differences of opinion. Based on the feedback received, LRWL then revises the business requirements section for later incorporation into the RFP document.
8	Technical Requirements	LRWL meets with client technical staff and managers to develop technical requirements pertaining to the procurement. They typically include application architecture requirements, development standards, hardware requirements (unless the client opts to procure hardware through a separate RFP), software requirements, installation and configuration requirements, interface requirements, and operational requirements (with an emphasis on system sizing and response time). Often warranty and post-warranty support requirements are revisited at this time. These requirements are then drafted in the form of RFP sections and submitted to the client for a (at least one) review and revision cycle.
9	Project Management Requirements	LRWL meets with appropriate client staff to determine the project management requirements that will be imposed on the successful bidder. LRWL typically prepares a workbook of "standard" project management requirements for review by the client. The workbook is divided into sections, and for each, proposed RFP language is presented along with a brief rationale for including the section. In concert with the client, a decision is made for each section as to whether it is to be included and, if so, how it is to be customized for the particular client. Twenty or more candidate sections may be considered dealing with topics such as the System Development Life Cycle, project phasing, project workplan, transition management, status reporting, Steering Committee meetings, change control, problem incident reporting, assisting client users, etc. LRWL guides the client through the process of selecting the appropriate project management requirements. They are customized to the client's particular situation and presented to the client for review. The sections are revised per the client review and set aside for inclusion in the RFP document.
10	New Functionality	LRWL meets with appropriate client team members to define the new functionality that must be included in the solution. Possible candidates include call center, Computer Telephony Interface (CTI) contact management / CRM, help desk, data warehouse, imaging, bar coding, user performance measurements, etc. Using the same model described above, LRWL prepares a workbook of possible new functional requirements for review with the client. LRWL guides the client team through the selection of the new functionality that is desired. The selected functional requirements are then customized to the client's particular situation and presented to the client for review. Based on the client's review, the sections are revised and set aside for inclusion in the RFP document.
11	Project Options	Using the same model described above, possible project options are presented to the client team for review. Options play a key role in assuring that the client receives the best value for the funds it will expend on the new solution. It permits ready trade-off of functionality based on value and cost. Bidders are required to propose all options and bid them separately. The client then selects the options that represent the best value relative to cost - within budget constraints. The client is free to accept all, none, or any combination of the options that are bid. Typical options include IVR / AVR, data cleansing, paper-to-image backfile conversion, DRP, hot-site backup, post-warranty on-site support (temporary contract staff augmentation), etc. Typically, LRWL conducts a meeting with appropriate client team members educating them as to the possible option areas. Based on preliminary decisions made at that meeting, RFP sections for each identified option are prepared and submitted to the client for review. The sections are revised per the client's review and set aside for later inclusion in the RFP document.

#	Task	Description
12	Process & Organizational Change Requirements	A new solution provides the ideal opportunity to institute process and organizational changes that will take advantage of the new environment to improve customer service. LRWL meets with the client project team to determine the degree to which the bidder will be responsible for defining appropriate process and organizational change. The bidders' responsibilities in this regard are developed into RFP sections and presented to the client for review. Based on that review, the sections are revised appropriately and set aside for later inclusion in the RFP document.
13	Data Requirements	LRWL meets with client team members to review data requirements. We guide the client through defining the bidders' responsibilities for data analysis, data cleansing, and data conversion, as well as the vendor's responsibility for documenting all changes to data as it is converted and cleansed in a reviewable, auditable, 'understandable-by-users, management and IT manner. The phasing of the project (defined in an earlier step) is used to define the bidders' responsibilities for data bridging between the legacy system and the new solution until final cutover if a multi-phased approach is taken. Based on the meeting, bidder data-related responsibilities are drafted into RFP sections and presented to the client for review. The sections are revised appropriately and set aside for later inclusion in the RFP document.
14	Project Staffing Requirements	LRWL assists the client in defining the bidders' responsibilities in terms of project staffing. Typically, the bidder is required to propose a full-time Project Manager who meets certain minimum requirements in terms of education and experience. In some cases, the bidder is also required to bid a full-time Project Interface Coordinator. Key person requirements are discussed along with 'penalties' to be applied if the vendor removes identified key staff without the client's permission. Transition / overlap requirements are also discussed and firmed up. Based on the meeting, LRWL drafts RFP sections defining how many specific staff members must be proposed, their minimum experience levels, under what circumstances they can be replaced, and the information about them that must be included in the bidders' proposals. The sections are submitted to the client for review, then revised appropriately and set aside for later inclusion in the RFP document.
15	Training Requirements	LRWL assists the client in defining the training services that must be provided by the bidder. Several decisions need to be made. Must all training sessions be conducted by the solution provider, or is a train-the-trainer approach acceptable? Where and when will training sessions be held? Will the bidder train the employers, or will the client assume this responsibility? Each such decision entails trade-offs between convenience, timeliness, and cost. The client's decisions in this regard are incorporated into RFP sections on bidder training responsibilities. These sections are submitted to the client for review; they include emphasis on training all users in how to process work – not just users manuals that focus only on the entry of data, 'points-and-clicks', etc. They are then revised by LRWL based on the client review and set aside for later inclusion in the RFP document.
16	Testing Requirements	LRWL guides the client in defining the testing requirements that must be satisfied by the bidder. As a rule, we believe it is advisable to hold the bidder responsible for developing test scenarios, test cases, test data, and expected results – and certifying that all testing has been completed for a function or module prior to the start of testing by the client. We go further and require the testing to be done for the entire application – not just the new or customized portions, thus ensuring fewer problems when the client's staff starts testing. And, in this same vein, we require the vendor to test and provide to the client converted (as opposed to 'synthetic' or 'sample') data. It is necessary to develop requirements for testing scope (just the customizations, or all functionality), regression testing, user acceptance testing - as well as for training the client staff in how to conduct tests developed by the bidder. Testing requirements are developed into RFP sections which are presented to the client for review. These also include the requirement for the vendor to provide weekly test status, trend, and regression/retest status in both tabular and graphic form. These sections are then revised per the client review and set aside for later inclusion in the RFP document.
17	Disaster Recovery Requirements	LRWL assists the client in defining the bidders' responsibilities for disaster recovery planning. There are several key decisions in this regard that will significantly influence cost. Will the bidder develop the Disaster Recovery Plan (DRP), or will the client - or a third party? Will the bidder just upgrade the client's current DRP? What will be the scope of the DRP - ranging from simple save and restore capabilities to a full Business Continuity Plan? Will a hot-site or cold-site be provided by the bidder? Based on the client's decisions, LRWL will prepare appropriate RFP sections and submit them to the client for review. The sections will be appropriately revised per the review and set aside for later inclusion in the RFP document.

#	Task	Description
18	Warranty & Post Warranty Support Requirements	A number of issues will need to be resolved with regard to warranty and post warranty support to be provided by the successful bidder. Again, these decisions can have a significant impact on system cost. Issues such as the warranty's scope and duration, required response time, on-site vs. off-site support, etc. are discussed with the client in terms of advantages versus cost. The decisions are used to develop appropriate RFP sections which are submitted to the client for review. These sections are appropriately revised and set aside for later inclusion in the RFP document.
19	Project Timetable	A rough project timetable needs to be developed for inclusion in the RFP. The timetable sets the schedule for major procurement events such as the bidder's conference, proposal due date, product demonstrations, vendor site visits, BAFO submissions, vendor selection, and contract execution. Further, some clients desire to define only a start date; others specify both a start date and a completion for final rollout date; others desire to specify some intermediate dates. The previously made phasing decisions are often revisited here, discussed with the client, and possibly revised. As a rule, LRWL develops a straw-man timetable for review with the client. It is revised per the client's review and input and set aside for inclusion in the RFP document.
20	Proposal Evaluation Criteria	LRWL assists the client in determining the **high-level** evaluation criteria that will be applied to bidder proposals and included in the RFP. This generally consists of identifying four or five criteria (such as vendor experience, vendor references, vendor approach, and cost) and the relative weighting that will be applied to each. More detailed criteria will be developed later in the process for use by the client (but not to be shared with vendors in order to avoid the vendors' tendency to 'write-to-the-point-spread'. At this point, it is merely necessary to develop guidelines for use by the bidders in drafting and pricing their offers. Although it sounds like a simple task, it must be done thoughtfully because the high-level criteria and their rankings cannot be changed once they have been published in the RFP.
21	Format of Offeror Technical Proposals	This task belongs to LRWL. Based on all of the foregoing decisions and RFP sections developed, LRWL prepares a highly detailed description of the format of the bidders' technical proposals. This description stipulates exactly what information is to be included in each section of the proposal. The purpose is to provide for easy comparison of proposals by client staff. The section is then submitted to the client for review and approval. It is revised as necessary and set aside for inclusion in the RFP document.
22	Cost Proposal Spread-sheets	Again this task belongs to LRWL. We develop detailed cost spreadsheets (Excel workbook) to be used by the bidders for submitting their cost proposals. Bidders are required to quote hardware and commodity software (if applicable) separate from the pension application. Services (customization, training, testing, etc.) are quoted on a separate spreadsheet. Each option, if applicable, is also presented on a separate spreadsheet. All costs are aggregated on a project summary spreadsheet. All subtotals and totals are generated automatically. The objective is to assure the comparability of bidders' respective cost proposals. The cost proposal spreadsheets are submitted to the client for review and approval. They are revised if necessary and set aside for inclusion in the RFP document.
23	Invoicing / Payment / Holdback	It is essential to include in the RFP the client's requirements relating to submitting deliverables and invoices, review of deliverables and approvable by the client as a condition of vendor payments, and holdback - because these factors influence the bidders' costing. We always urge our clients to pay only for deliverables, not the passage of time nor the expenditure of hours. We assist the client in defining high level deliverables as a starting point. We discuss with the client the payment points, their number, payment administration (i.e., being sensitive to vendors' cash flow requirements – but not burdening the client with too many payment points), the size of the holdback that will pertain to each invoice and the criteria for eventual release of all held back amounts. The client's decisions in this regard are used to develop an appropriate RFP section which is submitted to the client for review. It is revised as necessary and set aside for inclusion in the RFP document.
24	Procurement Terms & Conditions	Most clients must abide by certain standard terms and conditions which apply to all procurements in the state. LRWL collects these terms and conditions, converts them into appropriate RFP sections, and submits to the client for review and approval.
25	Assemble RFP Attachments	LRWL assists the client in identifying and collecting materials for the RFP attachments. These typically include CAFRs, Summary Plan Descriptions (SPD's), agency organization charts, data file descriptions, data center layout, existing equipment inventory, existing forms, letters, reports, and spreadsheets, legacy system documentation (if it exists), procedure manuals, policy guides, applicable statutes and regulations, existing agency web site contents, standard contract provisions, etc.

#	Task	Description
26	Complete RFP Assembly	LRWL assembles all of the previously developed and approved RFP sections and attachments into a single integrated document with a detailed Table of Contents. The draft is provided to the client for review. But, since the client has reviewed all of the components in previous steps, this review is typically quite rapid. If necessary, the RFP is revised and submitted in final form to the client for distribution to bidders.
27	Distribute RFP	This is typically a client task. LRWL provides suggestions as to where to advertise the RFP, how to post on the client's web site, and mailing lists of firms that specialize in the public retirement environment.
28	Evaluation Methodology	Based on the high level evaluation criteria developed for inclusion in the RFP, LRWL develops a detailed methodology for evaluating the vendor proposals. The methodology includes: an evaluation methodology document, explaining the evaluation process step-by-step; proposal score sheets for recording evaluators' scores on the evaluation criteria for each proposal (the score sheets will be developed in Microsoft Excel so that all computations will be automated); and a standard questionnaire for use in conducting vendor reference checks. The evaluation materials are reviewed with client staff and revised in response to the feedback received.
29	Educate Selection Team	LRWL provides instruction and guidance to the client's selection team, familiarizing them with the evaluation materials (methodology, scoring sheets, and vendor reference questionnaires) and how to utilize them.
30	Bidders Conference	LRWL attends and typically hosts / facilitates the bidder's conference which is held shortly after the RFP is issued. We develop the bidder's conference agenda and submit it to the client for review. The agenda is revised per the feedback we receive from the client and published in final form. At the conference, LRWL introduces client staff members to the attendees, provides a project overview, perhaps facilitates the conduct of a brief tour of the client's facility, and fields bidders' questions as appropriate with staff and management.
31	Answer Bidder Questions	At the conclusion of the bidder's conference, LRWL compiles all questions asked at the conference (combining them with any bidder questions that were earlier submitted in writing) and drafts answers for them. The compilation of questions and answers is presented to the client for review. Based on client feedback, LRWL finalizes the questions and answers and provides them to the client for distribution to all attendees at the conference.
32	Initial Proposal Review	LRWL assists the client in conducting a preliminary review of the proposals received. Both LRWL and client evaluation team members review the submissions to confirm that they are responsive to the requirements stated in the RFP. Any that are not compliant or otherwise obviously unsuitable are eliminated from further consideration. However, the objective is not to eliminate proposals; minor discrepancies are typically overlooked. Some clients complete preparatory scoring at this time. Some clients desire LRWL to participate in the scoring; others limit our role to facilitating the scoring. That decision is the client's.
33	Reference Checks	Vendor reference checks are conducted based on the standard questionnaire developed previously. LRWL assists in scheduling and facilitating the reference checks and, if requested by the client, conducts the reference checks. The results of the reference checks will be distributed to all evaluators for use in the final scoring of vendor submissions.
34	Questions to Bidders	For each proposal that remains under consideration, LRWL conducts a detailed review and compiles a list of questions and requests for clarification to be forwarded to the vendor for response. The client typically does the same. The lists of questions and requests for clarification are combined, reviewed by the client, and revised accordingly before being distributed to the vendors, along with a due date for response.
35	Product Demon-stration Scenarios	LRWL prepares scripted product demonstration scenarios (PDS's) to guide vendor product presentations / demonstrations. These PDS's assist the client and LRWL in gauging the suitability of the product being proposed to the client's work processes. Emphasis is placed on broad functionality and capabilities. The PDS's are not designed to make the vendor fail, but rather to illustrate the product's basic capabilities. LRWL also develops checklists and score sheets for logging what is observed and scoring the demonstrations. The PDS materials are reviewed with client staff and revised in response to the feedback received.
36	Review of Bidder Responses	When the vendors' responses to the questions and requests for clarification are received, LRWL reviews them with the client. It is possible that a few follow-up questions may be prepared for vendor response.

#	Task	Description
37	Initial Scoring	Using the evaluation materials prepared earlier, LRWL assists client evaluators in the initial scoring of the submissions based on the proposals and the responses to the questions and requests for clarification. In support of the client's scoring activities, LRWL typically prepares a summary document capturing and comparing the "high points" of each vendor's technical proposal – i.e., the solution "topology" (client-server, browser-based, etc.), the technical environment (development language, database manager, tool suite, etc.), proposed best practices, vendor experience and existing client installations, vendor methodologies and plans, vendor strengths and weaknesses, comparative risk factors, and potential negotiating points.
38	Product Demon-strations	LRWL assists the client in scheduling and attending vendor product demonstrations. LRWL also assists the client evaluation team in summarizing the apparent strengths and weaknesses of each solution and in scoring the product demonstrations using the PDS materials developed in an earlier step.
39	Site Visits	LRWL generally recommends that site visits to one or more of the vendors' existing customers be conducted. Site visits prove extremely valuable by providing the client an opportunity to talk first-hand with other users of the proposed solution. LRWL assists in scheduling and coordinating site visits – and we attend each site visit with client staff. After each visit, LRWL assists client attendees in summarizing their reactions and impressions in writing – for inclusion in the evaluation process.
40	Re-scoring	LRWL assists the client evaluation team in re-scoring the vendor submissions, factoring in the product demonstrations, the customer site visits, the vendors' answers to questions and requests for clarification, and the reference checks. This second pass at scoring includes the vendor cost bids. It results in a prioritized list of the remaining vendors. To facilitate this effort, LRWL prepares a cost summary document combining all of the cost bids to provide the client with an at-a-glance, side-by-side comparison.
41	BAFO	As a rule, LRWL clients then request a Best and Final Offer (BAFO) from those vendors remaining under consideration. LRWL assists the client in requesting and evaluating the BAFOs. The BAFO cycle affords the opportunity to solicit both price concessions and expanded or diminished functionality and support from the vendors.
42	Final Scoring	After the BAFOs are received, LRWL assists the client in the final scoring pass. Previous scores are adjusted based on expanded functionality and/or support services, as well as any price concessions, offered by the vendors in their BAFOs. The result is the identification of the two vendors representing best value to the client.
43	Contract Negotiations	LRWL assists the client in immediately initiating contract negotiations with the top-ranking bidder. This effort is leveraged with LRWL's extensive library of software licensing and implementation services contracts from previous projects. If negotiations cannot be completed successfully within two weeks (or if insurmountable obstacles become obvious even sooner), LRWL recommends terminating negotiations with the top-ranking bidder and beginning negotiations with the second place bidder. It is necessary to apply pressure to the vendors and convince them that the client is negotiating with **two** finalists in order that they will be flexible on issues relating to cost, scope, schedule, etc. In this way, LRWL preserves the advantages of the vendors' competitive "instincts" until a contract that serves NDPERS' interests has been successfully negotiated. This strategy generally insures that a satisfactory contract can be successfully negotiated within two weeks.
44	Preparation of Award Memo	If required by the client's procurement guidelines, LRWL assists the client in preparing a "Justification / Authorization for Award" document for presentation to the Board or external authorities.
45	Contract Execution	This is typically a client activity, often involving state attorneys to review the contract terms and conditions.
46	Lessons Learned	LRWL and the client review the project and identify opportunities for improving the next project.

